

PUBLIC SCOPING NOTICE

Newfield Exploration Company Monument Butte Area Oil and Gas Development Project Environmental Impact Statement

Bureau of Land Management Vernal Field Office

1.0 Introduction

Newfield Exploration Company (Newfield) proposes to drill up to 5,750 oil and gas wells and develop and facilitate secondary recovery of oil resources in the Monument Butte Area in Duchesne and Uintah Counties, Utah (see attached map). The number of new wells represents a conceptual maximum development scenario, as determined by Newfield's evaluation of producible reserves from known reservoirs.

The Monument Butte Area covers approximately 119,850 acres in Townships 8 through 11 South, Ranges 20 through 24 East (Salt Lake Meridian), and Townships 3 and 4 South, Range 2 West, (Uintah Special Meridian) in Duchesne and Uintah Counties, Utah. The project is located on lands administered by the BLM (103,912 acres), the Bureau of Indian Affairs (BIA) - Uintah and Ouray Agency (36 acres), the State of Utah (12,866 acres), and private interests (3,016 acres). Mineral interests are managed by the BLM (89 percent), the State of Utah (10 percent), and private interests (less than one percent).

The Monument Butte Area oil and gas field has been largely developed. The proposed action consists of secondary recovery using waterflood methods. Waterflood methods involve the injection of water through formerly producing or new wells into oil-producing geologic formations. Nearby actively producing wells then receive the hydrocarbons through the formation as the water displaces the oil. In addition to waterflood plans, some portions of the project area along the northwest and southern project boundaries would be subject to step-out development (expansion away from existing development - see draft map).

Integral to the project is a phased installation of a field electrification system in the project area. Phased installation would be completed over approximately seven years. Electrical power would then be used to run water treatment and injection facilities, centralized tank batteries, compressor stations, engines and turbines at the proposed gas processing plant, and at most well site facilities to power dehydrators, separators, and pump jacks.

2.0 NEPA Compliance

2.1 EIS Development: The BLM has determined that permitting this proposed project constitutes a major federal action that may affect the quality of the human environment. Pursuant to NEPA and the Council on Environmental Quality Regulations on

implementing NEPA, the BLM will prepare an Environmental Impact Statement (EIS), which will describe and evaluate the potential impacts of the proposed action and alternatives.

2.2 Public Involvement: The public is encouraged to participate during the scoping process to help:

- Identify issues of concern related to the proposed action
- Determine the depth of the analysis needed for issues addressed in the EIS
- Identify potential mitigation measures
- Identify reasonable alternatives to be evaluated in the EIS

Two public meetings, to discuss the proposed project, are scheduled in Duchesne and Vernal, Utah. Times, dates, and locations are as follows:

Monday, September 13, 2010
6:30 to 8:30 p.m.
Duchesne County Building
Commissioner's Chambers
734 N. Center St.
Duchesne, Utah 84021

Monday, September 20, 2010
6:30 to 8:30 p.m.
Western Park Convention Facility
Conference Room #2
302 East 200 South
Vernal, Utah 84078

Written comments will be accepted during the public scoping period from August 25, 2010, through September 24, 2010. Please submit written comments to:

Bureau of Land Management
Vernal Field Office
Attn: Mark Wimmer
170 South 500 East
Vernal, UT 84078
Fax: (435) 781-4410
UT_Vernal_Comments@blm.gov

Please reference the Monument Butte EIS when submitting your comments. Comments, including names, e-mail addresses, and street addresses of commenters will be available for public review at the BLM Vernal Field Office during regular business hours (7:45 a.m. to 4:30 p.m., Monday – Friday), except federal holidays. Comments and related personally identifying information will be subject to disclosure under the Freedom of Information Act (FOIA) and comments may be published as part of the EIS and other related documents.

Individual respondents may request confidentiality. If you wish to withhold your name, street address, or email address from public review and disclosure under the FOIA, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or

businesses will be made available for public inspection in their entirety. The BLM will not accept anonymous comments.

3.0 Land Use Plan Conformance

The BLM Vernal Field Office Approved Resource Management Plan (RMP) (October 2008) directs management on the BLM-administered public lands within the project area. For oil and gas resources, management decisions in the approved RMP provide for:

- Energy resource exploration and development surface-disturbing activities unless precluded by other program prescriptions and surface-disturbance related stipulations (page 97).
- A variety of oil and gas operations and geophysical explorations unless precluded by other program prescriptions and surface-disturbance related stipulations (page 98).

4.0 Purpose and Need

The BLM's need for the proposed project is to respond to Newfield's request to develop its valid existing leases covering the subject lands. The BLM's purpose is to manage the public lands for multiple use, while protecting other resource values by minimizing environmental impacts. The Federal Land Policy and Management Act of 1976 (Public Law 94-579, 43 U.S.C. 1701 *et seq.*) recognizes oil and gas development as one of the "principal" uses of the public lands. Federal mineral leasing policies (Mineral Leasing Act of 1920, 30 U.S.C. 188 *et seq.*) and regulations, by which they are enforced, recognize the statutory right of lease holders to develop federal mineral resources to meet continuing national needs and economic demands, so long as undue and unnecessary environmental degradation is not incurred.

The purpose of the EIS will be to provide the public and decision-makers with sufficient information to understand the environmental consequences of the proposed action and alternatives, and to identify and develop appropriate mitigation measures to minimize potentially adverse environmental impacts to the affected resources.

5.0 Proposed Action

Under the Proposed Action, Newfield is proposing to expand their ongoing oil and natural gas development and secondary recovery waterflood operations within the project area by drilling a total of 5,750 wells. Drilling would include up to 3,250 oil wells to the Green River Formation, of which 750 wells would be vertically drilled on a 40-acre spacing pattern and 2,500 of which would be directionally drilled on a 20-acre down-hole spacing pattern (40-acre surface spacing). In addition, Newfield would also drill 2,500 deep gas wells to the Green River, Wasatch, Mesaverde, Blackhawk/Mancos, and/or Frontier/Dakota formations on a 40-acre spacing pattern.

Newfield is proposing to begin construction and drilling activities in the first quarter of 2012. However, the exact dates of construction, drilling, and testing would be determined by multiple factors including, but not limited to, approval of permits to drill, market fluctuations, drill rig availability, weather, and site-specific conditions of approval. Construction, drilling and completion of all 5,750 wells would occur over a 23-year period, with approximately 250 wells drilled annually. Aside from the wells described above, the following related infrastructure is proposed (see attached map for overview):

- Construction of approximately 238 miles of new access road and the upgrading of approximately 361 miles of existing access roads to accommodate increased development and new pipeline and power line corridors.
- Construction of approximately 599 miles¹ of co-located infrastructure including buried water pipelines, steel injection pipelines, 24 kV electrical lines, liquids gathering pipelines, and gas gathering pipelines.
- Construction of 20 new compressor stations for deep gas well development.
- Expansion of three existing compressor stations and construction of one new compressor station for gas associated with oil well development each supporting increased compression, a dehydrator, tanks, and a flare or combustion station.
- Construction of eight new and expansion of six existing electric water treatment and injection facilities for processing and distribution of injection water and for recycling or disposal of produced water.
- Construction of 12 new and expansion of two existing centralized tank batteries (CTBs) for oil and produced water collection, each of which will support eight 200-hp pumps, up to four 5,000-bbl oil tanks, up to four 4,000-bbl water tanks, up to two 400-bbl tanks for slop oil, one flare, one incinerator, and two load out racks with a vapor recovery unit.
- A phased installation of a field electrification system in the project area is integral to the proposed project. Phased installation would be completed over approximately seven years. Electrical power would then be used to run water treatment and injection facilities, centralized tank batteries, compressor stations, engines and turbines at the proposed gas processing plant, and at most well site facilities to power dehydrators, separators, and pump jacks.
- A centralized gas processing plant which would support four 300-hp compressors, one flare station, one incinerator, one 50 MMscf/d (Million standard cubic feet per day) dehydrator, and one load-out rack.

¹ Pipelines would be constructed adjacent to and within the same disturbance area as proposed and existing roads.

- Phased field-wide electrification consisting of approximately 7.3 miles of overhead, cross-country 138 kV main transmission line, approximately 10.1 miles of overhead cross-country 69 kV transmission line, and up to 599 miles of overhead or buried 24 kV distribution line,² expansion of an existing transfer station outside the project area, expansion of an existing section substation, and construction of 11 new section substations.
- One fresh water collector well for waterflood operations and associated six 200-hp water pump stations.

6.0 Preliminary Resource Issues for NEPA Analysis

The BLM Vernal Field Office identified the following resources as those resources that may be potentially impacted by the project. The list is not meant to be all-inclusive, but rather a starting point for public input and a means of identifying the resource disciplines needed to conduct the analysis. The identified resources include:

- Air Quality: Potential impacts to local and regional air quality from project-related emissions sources.
- Water Resources: Potential impacts from sedimentation, contamination from spills or releases, effects to surface and ground water quality and availability, and floodplains and riparian areas.
- Paleontological Resources: Possible loss of or damage to paleontological resources.
- Soil Resources: Soil disturbance and effects to productivity; construction resulting in potential erosion.
- Vegetation: Potential loss of vegetative cover and forage; potential introduction/expansion of noxious plants.
- Special Status Plants and Wildlife: Possible damage or loss of individual plants and habitat; species include mountain plover (unoccupied habitat), Pariette cactus and protected Colorado River fish.
- Wildlife: Potential displacement of big game, raptors, sage grouse, and prairie dogs from occupied habitats; possible loss of habitat and habitat fragmentation.
- Cultural Resources: Possible damage to, or loss of, cultural resources/sites, including structures, objects, and areas having Native American religious concerns.

² 24kV distribution lines would be co-located with new roads or existing roads proposed for upgrade and improvement.

- Range Management: Potential loss of forage; possible damage to grazing management facilities.
- Recreation: Potential conflicts with dispersed recreation, including hunting, camping, sightseeing, fishing, and rafting on the White River; possible conflicts with public enjoyment and use of Fantasy Canyon, a managed recreation site.
- Visual Resources: Potential changes to perception of landscape character.
- Socioeconomics: Potential changes to demographics and local social infrastructure, including housing, schools, and government services, effects to worker income, effects on revenues to local, state, and federal governments.
- Wild and Scenic Rivers: Potential impacts to the Lower Green River Wild and Scenic River suitable segment.
- Areas of Critical Environmental Concern: Potential impacts to the Lower Green River and Pariette Areas of Critical Environmental Concern.